

Cayuga County Industrial Development Agency

Financial Report

December 31, 2021 and 2020

Cayuga County Industrial Development Agency

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December 31, 2021 and 2020

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Buffington & Hoatland CPAs

A Professional Limited Liability Company

Independent Auditor's Report

To the Board of Directors
Cayuga County Industrial Development Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Cayuga County Industrial Development Agency, a component unit of Cayuga County, State of New York, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Cayuga County Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Cayuga County Industrial Development Agency, a component unit of Cayuga County, State of New York, as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cayuga County Industrial Development Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cayuga County Industrial Development Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cayuga County Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cayuga County Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of Cayuga County Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cayuga County Industrial Development Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cayuga County Industrial Development Agency's internal control over financial reporting and compliance

Buffington & Hoatland CPAs PLLC

Buffington & Hoatland CPAs, PLLC
Auburn, New York
March 15, 2022

Management's Discussion and Analysis (Unaudited)

This section of the Cayuga County Industrial Development Agency's annual financial report presents management's discussion and analysis of the Agency's financial performance during the year ended December 31, 2021. It should be read in conjunction with the Agency's financial statements and accompanying notes.

Basic Financial Statements

The annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Agency is a self-supporting entity and the accounts are recorded in accordance with a proprietary fund type. Proprietary fund type operating statements present increases and decreases in net assets. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Required Financial Statements

The financial statements of the Agency report information using accounting methods similar to those used by private sector companies. These statements offer short-term financial information about its activities. The Statement of Net Position includes all of the Agency's assets and liabilities with the difference reported as net position. It provides the basis for assessing the liquidity and financial flexibility of the Agency. All of the current year's revenues and expenses are accounted for in the Statement of Revenues and Expenses. This statement measures the financial success of the Agency's operations over the past year and can be used to determine whether the Agency has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The third required statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Agency's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the period.

Condensed Comparative Financial Information

The following table contains selected financial information for the past two years.

Category	2021	2020
Assets		
Cash and Investments	\$ 751,485	\$ 930,889
Capital Assets	883,629	647,328
Other Assets	-	-
Total Assets	<u>\$ 1,635,114</u>	<u>\$ 1,578,217</u>
Liabilities		
Current Liabilities	\$ 26,652	\$ 25,445
Total Liabilities	<u>\$ 26,652</u>	<u>\$ 25,445</u>

Condensed Comparative Financial Information (Continued)

Category	2021	2020
Revenue		
Administrative fee	\$ 98,006	\$ 90,581
Interest	1,582	3,732
Rental and other	4,088	3,575
Total Revenues	<u>\$ 103,676</u>	<u>\$ 97,888</u>
Expenses		
Contract services	\$ 31,636	\$ 29,911
Professional fees	10,717	6,692
Property taxes	2,527	6,433
General and Administrative	3,106	4,309
Total Expenses	<u>\$ 47,986</u>	<u>\$ 47,345</u>
Increase (Decrease) in Net Position	<u>\$ 55,690</u>	<u>\$ 50,543</u>

Change in financial categories between 2021 and 2020 include the following:

- The Agency's total net position increased \$55,690 or 3.59%.
- Cash and Investments decreased \$179,404 or 19.27%, resulting from sewer expansion project.
- Current Liabilities, other than PILOT payments, increased \$1,207 or 4.74%
- Operating Revenues increased \$7,425 or 8.20%, resulting from more projects.
- Operating Expenses increased \$641 or 1.35%

Financial Analysis of the Agency

The Agency is engaged in activities to support economic growth in Cayuga County, including job creation and retention, and increasing the net wealth of the County. The Agency does not receive any general appropriations from local, county or state government to support its operations. The Agency collects revenue for its operating purposes from the issuance of PILOTS, administrative fees, and from interest on investments. In the year ended December 31, 2021, the Agency received in administrative fees and interest income from these sources \$99,588, an increase of \$5,275 from the prior year. In the year ended December 31, 2020, the Agency received income from these sources, \$94,313. The increase is due to more administrative fees. For qualified transactions, the Agency enters into PILOT agreements in which the Agency collects payments that are disbursed to the appropriate tax jurisdictions. PILOT payments equaled \$505,222 in the year ended December 31, 2021, and \$546,248 for the year ended December 31, 2020. The decrease is related to a decrease in property tax rates.

Capital Asset and Debt Administration

Capital Assets: As of December 31, 2021, the Agency's investment in capital assets \$883,629 (net of depreciation). The principal capital assets of the Agency is land, building and construction in progress for future development. This is exclusive of property leases.

Economic Factors

The Agency's basic purpose is to assist growth and expansion in Cayuga County, New York. The business and economic climate in the County continued to experience impact in 2021 by the COVID-19 global pandemic. Between supply chain disruption and workforce labor shortages, numerous economic projects experienced delays. In 2021, the Agency approved 1 new PILOT incentive related to solar development project, as well as 1 sales and use tax exemption to a solar development project. At the present time, the Agency has 2 potential PILOT agreement applications.

Contacting the Agency's Financial Management

This financial report is designed to provide the Cayuga County's citizens and taxpayers, and the clients of the Agency, with a general overview of the Agency's finances. If you have questions about this report or need additional financial information, contact the Cayuga County Industrial Development Agency.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'DSZABO', followed by a long horizontal line extending to the right.

Danielle Szabo
Interim Executive Director

Cayuga County Industrial Development Agency

Statements of Net Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 702,062	\$ 881,909
PILOT payment receivable	-	-
Total Current Assets	<u>702,062</u>	<u>881,909</u>
Capital Assets		
Land and building	542,790	542,790
Construction in progress	340,839	104,538
Total Capital Assets	<u>883,629</u>	<u>647,328</u>
Investments	<u>49,423</u>	<u>48,980</u>
Total Assets	<u>\$ 1,635,114</u>	<u>\$ 1,578,217</u>
Liabilities and Net Position		
Current Liabilities		
PILOT payments payable	\$ -	\$ -
Accounts payable	16,652	15,445
Grant payable	10,000	10,000
Total Current Liabilities	<u>26,652</u>	<u>25,445</u>
Net Position		
Invested in capital assets	883,629	647,328
Unrestricted	724,833	905,444
Total Net Position	<u>1,608,462</u>	<u>1,552,772</u>
Total Liabilities and Net Position	<u>\$ 1,635,114</u>	<u>\$ 1,578,217</u>

See notes to financial statements.

Cayuga County Industrial Development Agency

Statements of Revenue and Expenses **Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating Revenue		
Administrative fee income	\$ 98,006	\$ 90,581
Total Operating Revenue	<u>98,006</u>	<u>90,581</u>
Operating Expenses		
Dues and subscriptions	275	275
Office supplies	552	682
Professional fees	10,717	6,692
Contract services	31,636	29,911
Property taxes	2,527	6,433
Conferences, seminars, and trade shows	428	80
Local economic development	1,851	3,272
Total Operating Expenses	<u>47,986</u>	<u>47,345</u>
Operating Income	<u>50,020</u>	<u>43,236</u>
Non-Operating Income		
Interest income	1,582	3,732
Land rent	3,860	3,474
Gas well royalty	228	101
Total Non-Operating Income	<u>5,670</u>	<u>7,307</u>
Change in Net Position	<u>\$ 55,690</u>	<u>\$ 50,543</u>

See notes to financial statements.

Cayuga County Industrial Development Agency

Statements of Changes in Net Position

Years Ended December 31, 2021 and 2020

	Invested in Capital Assets	Unrestricted	Total Net Position
Net Position - Ending December 31, 2019	\$ 614,751	\$ 887,478	\$ 1,502,229
Changes in net position	<u>32,577</u>	<u>17,966</u>	<u>50,543</u>
Net Position - Ending December 31, 2020	647,328	905,444	1,552,772
Changes in net position	<u>236,301</u>	<u>(180,611)</u>	<u>55,690</u>
Net Position - Ending December 31, 2021	<u><u>\$ 883,629</u></u>	<u><u>\$ 724,833</u></u>	<u><u>\$ 1,608,462</u></u>

See notes to financial statements.

Cayuga County Industrial Development Agency

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash received for PILOT program	\$ 505,222	\$ 546,248
Cash payments for PILOT program	(505,222)	(546,248)
Cash paid for professional fees	(10,717)	(6,692)
Cash received for administrative fees	98,006	90,581
Cash received from gas well royalty	228	101
Cash received from land rent	3,860	3,474
Cash received from interest income	1,582	3,732
Cash paid for other operating expenses	(36,062)	(39,163)
Net Cash Provided by Operating Activities	<u>56,897</u>	<u>52,033</u>
Cash Flows from Investing Activities		
Capitalized land costs	(236,301)	(32,577)
Purchase of investments	(443)	(466)
Sale of investments	-	102,057
Net Cash Provided by (Used in) Investing Activities	<u>(236,744)</u>	<u>69,014</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(179,847)</u>	<u>121,047</u>
Cash and Cash Equivalents - Beginning	<u>881,909</u>	<u>760,862</u>
Cash and Cash Equivalents - Ending	<u>\$ 702,062</u>	<u>\$ 881,909</u>
Reconciliation of Changes in Net Position to Net Cash Provided by Operating Activities		
Changes in net position	\$ 55,690	\$ 50,543
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
(Increase) decrease in assets:		
PILOT payments receivable	-	43,401
Increase (decrease) in liabilities:		
PILOT payments payable	-	(43,401)
Accounts payable	1,207	1,490
Net Cash Provided by Operating Activities	<u>\$ 56,897</u>	<u>\$ 52,033</u>

See notes to financial statements.

Cayuga County Industrial Development Agency

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Nature of Operations

The Cayuga County Industrial Development Agency was created by the New York State Legislature in 1969 as Title 15 of Article 8 of the Public Authorities Law. The Agency was formed to advance the job opportunities, general prosperity, sustainability and economic welfare of the people of the Cayuga County, New York, through the use of economic development incentives for qualified projects within the County. The Agency created under this Act is a corporate governmental Agency constituting a public benefit corporation. The Agency is considered a component unit of the Cayuga County.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Agency's financial statements are prepared under the accrual basis of accounting in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds. Under this method, revenue is recognized when performance obligations have been met and expenses are recognized when incurred regardless of when the related cash transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of Presentation

GASB requires the classification of Net Position into three classifications as defined below.

Net Invested in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted Net Position

This component of net position consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of December 31, 2021 and 2020, the Agency has no restricted net positions.

Unrestricted Net Position

This component of net positions consists of funds that do not meet the definition of "invested in capital assets, net of related debt", or "restricted".

Cayuga County Industrial Development Agency

Notes to Financial Statements

December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Agency charges an administrative service fee for each project based upon the type of tax incentive. The revenue is recognized when the Agency meets the performance obligation of the contract. Application fees to submit an application are non-refundable and recognized upon submission of the application. Grant income is recorded as revenue when the conditions of the grant have been met. Administrative services fees are intended to be used for operating expenses and to fund continuing operations. Incidental items that are immaterial in the context of a contract are expensed.

Operating and Non-Operating Revenue

The Agency's revenue consists of operating and non-operating revenue. Operating revenue is revenue collected from tax incentive agreements, grants and income from administrative functions. Non-operating revenue is interest income, rental and other investment income.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

PILOT Payments Receivable

PILOT payments receivable are stated at outstanding balances. The Agency considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for credit loss will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Cayuga County Industrial Development Agency

Notes to Financial Statements

December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Capital Assets

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Capital assets are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the following useful lives of the respective classes of property:

	<u>Year</u>
Land and building	-0-

Depreciation expense was \$-0- for the years ended December 31, 2021 and 2020.

Supplemental Disclosures - Statements of Cash Flow

The Agency considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Non-Cash Transactions

The Agency does not collect on its capital lease arrangements as explained in Note 5. The increase and decrease in investments in property leases and bonds payable paid by the entity directly to the related financial institution are the non-cash items.

Conduit Debt Obligations

The term *conduit debt obligations* refers to debt instruments issued by the Agency for the express purpose of providing capital financing for a specific third party that is not a part of the Agency's financial reporting entity. Although conduit debt obligations bear the name of the Agency, the Agency has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

Concentration of Credit Risk

The Agency maintains its cash balances in one financial institution located in Auburn, New York. The Federal Deposit Insurance Corporation up to \$250,000 insures accounts at the institution for the years ended December 31, 2021 and 2020. The amounts over the FDIC limit are secured by United States Treasury Bills.

Tax-Exempt Status

The Agency has been organized under the Public Authorities Law by the New York State Legislature. Under Code Section 2326, Article 8, Title 15 of this law, the Agency is exempt from income taxes and immune from other taxes. Therefore, no provision is made for taxes on income.

Cayuga County Industrial Development Agency

Notes to Financial Statements

December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Payments In Lieu Of Taxes (PILOT)

A significant inducement in The Agency projects is exemption from real property, sales and mortgage taxes. By law, all property titled to the Agency is exempt from these taxes. In practice, however, Payments In Lieu Of Taxes (PILOT) are often negotiated with the applicant. PILOT may represent full or partial remuneration to one or more of the real property tax jurisdictions involved.

The Agency is responsible for tracking all PILOT payments whether made by the Agency in connection with property it owns or made directly to the taxing authorities by the Organizations participating in the program. A total of 9 Organizations participated in the PILOT program and \$505,222 and \$502,847 in payments were administrated by the Agency for the years ended December 31, 2021 and 2020, respectively.

Note 3 - Investments

Investments are stated at fair value. The cost and market values consist of the following as of December 31:

	2021		2020	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Certificate of deposit - two year	<u>\$ 49,423</u>	<u>\$ 49,423</u>	<u>\$ 48,980</u>	<u>\$ 48,890</u>

Investment income is summarized as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Interest	<u>\$ 1,582</u>	<u>\$ 3,732</u>
Net Investment Income	<u>\$ 1,582</u>	<u>\$ 3,732</u>

Cayuga County Industrial Development Agency

Notes to Financial Statements

December 31, 2021 and 2020

Note 4 - Capital Assets

Capital asset additions, retirements, and balances consist of the following for the years ended December 31:

	Balance December 31, 2020	Additions	Retirements	Balance December 31, 2021
Capital Assets Not Being Depreciated				
Land and building	\$ 542,790	\$ -	\$ -	\$ 542,790
Construction in progress	104,538	236,301	-	340,839
Totals at Cost	\$ 647,328	\$236,301	\$ -	\$ 883,629

Note 5 – Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and notes issued by the Agency are secured by property that is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the State.

The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts because its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as financial agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such Administrative fee income is recognized immediately upon issuance of bonds and notes.

For the years ended December 31, 2021 and 2020, the Agency did not have any bonds or notes.

Note 6 - Commitments and Contingencies

The Agency is exposed to various risks of loss such as torts, theft, damage, injuries, errors, omissions and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Any settled claims from these risks have not exceeded commercial insurance coverage for the past four years. In management's opinion, there are no material contingencies required to be accrued or disclosed.

Note 7 – Subsequent Events

Management has evaluated subsequent events through March 15, 2022, the date on which the financial statements were available to be issued.



Buffington & Hoatland CPAs

A Professional Limited Liability Company

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*

To the Board of Directors
Cayuga County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cayuga County Industrial Development Agency, a component unit of Cayuga County, State of New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Cayuga County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cayuga County Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cayuga County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Cayuga County Industrial Development Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 15, 2022

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Cayuga County Industrial Development Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Cayuga County Industrial Development Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the board of directors and management of Cayuga County Industrial Development Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Buffington & Hoatland CPAs, PLLC

Buffington & Hoatland CPAs, PLLC
Auburn, New York



Buffington & Hoatland CPAs

A Professional Limited Liability Company

Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

Independent Auditors' Report

To the Board of Directors
Cayuga County Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Cayuga County Industrial Development Agency (Agency), a component unit of Cayuga County, State of New York, which comprise the statements of net position as of December 31, 2021 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 15, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2021. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

Buffington & Hoatland CPAs PLLC

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Auburn, New York
March 15, 2022